

**ECONOMIC DEVELOPMENT
HAMPDEN, MAINE**

An Application for a Municipal Development and Tax Increment Financing District

**HAMPDEN BUSINESS PARK OMNIBUS
MUNICIPAL DEVELOPMENT AND
TAX INCREMENT FINANCING DISTRICT**

Presented to:

TOWN OF HAMPDEN

DATED: February 6, 2017

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I. Introduction

A. The Hampden Business Park Project

In 1999 the Town of Hampden voters approved several measures to create the “Hampden Business & Commerce Park”, a 132 acre, 37 lot business park off Route 202 and with immediate access to I-395 and I-95. A portion of the infrastructure was completed in 2002 and in 2003 the first building was erected. Seven additional sites have been built on since 2003.

In 2013, infrastructure to the interior portions of the Park remained incomplete. The estimated costs to complete roads, bridges, water, sewer and other utility services to the subdivision was over \$3 million. Without completion of the infrastructure improvements, many of the unsold lots could not be legally sold or developed. In response to a Request for Proposal issued by the Town, Sargent Corporation, a major earthwork construction and site preparation contractor submitted a proposal to Hampden to complete the infrastructure development in the Park in exchange for conveyance of the remaining unsold lots by the Town to Sargent Corporation.

In 2014 the Town of Hampden (“the Town”) entered into a Development Agreement with Sargent Corporation (“the Developer”) to advance infrastructure improvements within the Hampden Business Park. Through this partnership, Sargent would install roads and infrastructure within the Business Park making the land available for development.

The Developer initiated work on the infrastructure improvements within the Hampden Business Park project (“the Project”) in 2014 and the first phase of those infrastructure improvements is now nearing completion, which means that individual lots will soon be available for development.

B. Tax Increment Financing – Hampden Business Park Project

To ensure the success of the Project, the Development Agreement between the Town and the Developer included allowance for the creation of a Municipal Tax Increment Financing (“TIF”) district. The establishment of a TIF district, together with the execution of a credit enhancement agreement between the Town and the Developer, will help ensure the economic viability of the Project, ensure that benefit of this economic development will accrue specifically to the area in which the Project will be located and will help ensure that the Project will bring investment and jobs to the Town.

The Town seeks to support the Project as it will facilitate the timely development of individual parcels within the Business Park which will help to maintain a healthy tax base and attract and retain quality jobs and development in the community. The Town also seeks to invest in public infrastructure and undertake other economic development activities to retain and attract jobs and commercial investment throughout the Town. In order to fulfill these

goals, the Hampden Business Park property on Route 202 (Map 10-B, Lots 001, 002, and 004-038) including roads contained therein, have been proposed as the **“Hampden Business Park Omnibus Municipal Development and Tax Increment Financing District”** (the **“District”**). Through the creation of the District, together with a credit enhancement agreement (the **“Credit Enhancement Agreement”**) between the Town and the Developer, a portion of the projected tax revenue generated from the real property taxes paid on the captured assessed value of the improvements made within the Developer Tract (as described herein) of the TIF District will be allocated to and used by the Developer to fund the Project and to pay current and future debt service associated with the improvements. These proposed investments are described more fully herein.

Additional credit enhancement agreements may be approved within the Town Tract of the business park through an Omnibus feature of the District described herein.

C. Tax Increment Financing – Hampden Economic Development Program

The Town intends to use its portion of tax revenue generated from the taxes on real property paid on the captured assessed value of the improvements made within the District (the **“TIF Revenues”**) to finance some or all of the costs of public improvement projects and future economic development programs and initiatives which collectively will improve the Town’s economy and increase the Town’s ability to stand out in a competitive marketplace as a dynamic place in which to grow a business. Anticipated Town Projects are described in Table 1 below, such costs being authorized as project costs as defined under 30-A M.R.S.A. § 5225 and § 5230.

TABLE 1
Town of Hampden TIF District Project Costs

Project Description	Cost Estimate	Statutory Cite
Investments Within the District		
1. <u>Capital Costs including but not limited to:</u> <ul style="list-style-type: none"> • The acquisition or construction of land, improvements, public ways, infrastructure, buildings, structures, fixtures and equipment for public or commercial development district use. • The demolition, alteration, remodeling, repair or reconstruction of existing buildings, structures and fixtures; • Site preparation and finishing work; • Fees and expenses including but not limited to 	\$360,000	30-A M.R.S.A. § 5225(1)(A)(1)(a),(b), (c), and (d)

Project Description	Cost Estimate	Statutory Cite
licensing, permitting expenses, project design and planning, engineering, architectural, legal and accounting expenses.		
2. <u>Financing Costs</u> : TIF Revenues may be used to finance any of the other projects listed herein. Such costs may include, but are not limited to, closing costs, issuance costs and interest paid to holders of evidences of indebtedness issued to pay for project costs and any premium paid over the principal amount of that indebtedness because of the redemption of the obligations before maturity.	\$120,000	30-A M.R.S.A. § 5225(1)(A)(2)
3. <u>Professional service costs</u> : including but not limited to, licensing, architectural, planning, engineering, consultant and legal expenses.	\$120,000	30-A M.R.S.A. § 5225(1)(A)(4)
4. <u>Administrative Costs</u> : A dedication of reasonable reimbursement from District revenues to defray administrative costs in connection with the implementation of the development program, including pro-rated municipal staff salaries.	\$600,000	30-A M.R.S.A. § 5225(1)(A)(5)
5. <u>Organizational Costs</u> : relating to the establishment of the district, including, but not limited to, the costs of conducting environmental impact and other studies and the costs informing the public about the creation of the District and implementation of the project plans.	\$120,000	30-A M.R.S.A. § 5225(1)(A)(7)
Investments Made Necessary by District		
6. <u>Infrastructure Costs</u> : Improvements directly related to and made necessary by the Town Tract of the District including, but not limited to areas affected by the increased impervious surface area caused by the Project: watershed management, catch basin and culvert repair along Sucker Brook and/or its tributaries.	\$3,120,000	30-A M.R.S.A. § 5225(1)(B)(1)

Project Description	Cost Estimate	Statutory Cite
<p>7. <u>Public Safety</u>:</p> <p>As development occurs within the District significant increases in traffic are anticipated that will require measures to address safety concerns outside the District boundaries. TIF Revenues will be used to address those concerns through measures such as, but not limited to, installation of turning lanes, signalization, or other traffic control; or fire protection equipment & maintenance if development requires equipment not currently owned by the municipality.</p>	\$960,000	30-A M.R.S.A. § 5225(1)(B)(2)
<p>8. # <u>Portage to Downtown Projects</u>: Mitigation of Downtown Impacts: development of a Downtown Redevelopment Plan which is anticipated to lead to designation of a Downtown TIF District with 100% of revenues from captured assessed value reinvested in the Downtown according to its development program.</p> <p>While the Project is within the Town's designated growth area and is zoned to encourage exactly the type of redevelopment proposed, the Town also recognizes that certain types of development that were traditionally downtown-based can dilute demand for downtown space and the long-term health of downtown when located elsewhere. The development which may occur within the Hampden Business Park represent such uses. When, <u>and only if</u>, the Downtown District is created, the Town will seek to mitigate some of the impacts of lost development by reinvesting some of the TIF revenues from this District into the Downtown District.</p>	\$600,000	30-A M.R.S.A. § 5225(1)(B)(3)

Project Description	Cost Estimate	Statutory Cite
Investments Related to Economic Development		
<p>9. <u>* / # Costs of funding economic development programs and/or events</u>: funding the development by the municipality of economic development programs and/or events marketing of the municipality as a business location and planning for economic development within the Town of Hampden, including but not limited to, Economic Development Strategic Planning, Feasibility Studies for a Downtown Development District, Downtown Redevelopment Plan, Transportation Planning, Broadband Feasibility Study, Utilities expansion feasibility etc.</p> <p>Pro-rated costs of staff salary or consultant fees to oversee the TIF program and to promote economic development within the Town.</p>	\$1,800,000	30-A MRSA §5225 (1)(C)(1)
<p>10. <u>* / # Economic Development Program Support</u> Pro-rated share of dues to organizations that provide economic development support to the Town, such as the Eastern Maine Development Corporation. Such funding may include additional economic development services and contracts.</p>	\$960,000	30-A MRSA §5225 (1)(C)(1)
<p>11. <u># Costs of funding environmental improvement projects</u> related to commercial activities in Hampden. Such projects could include impact studies and watershed management in areas that affect, or are affected by commercial development in Hampden.</p>	\$240,000	30-A MRSA §5225 (1)(C)(2)
<p>12. <u># Costs of funding to establish permanent economic development revolving loan funds, investment funds and grants.</u></p>	\$1,200,000	30-A MRSA §5225 (1)(C)(3)

Project Description	Cost Estimate	Statutory Cite
<p>13. # <u>Costs of services and equipment to provide skills development and training</u>, including scholarships to in-state educational institutions or to online learning entities when in-state options are not available, for jobs created or retained within Hampden.</p> <p>Expand Broadband Access to Hampden commercial and industrial areas to improve access to training and educational opportunities.</p>	\$960,000	30-A MRSA §5225 (1)(C)(4)
<p>14. */# <u>Costs relating to planning, design, construction, maintenance, grooming and improvements to new or existing recreational trails</u> determined by the department to have significant potential to promote economic development, including bridges that are part of the trail corridor, used all or in part for all-terrain vehicles, snowmobiles, hiking, bicycling, cross-country skiing or other related multiple uses. Trail systems are prevalent and active in Hampden, drawing visitors from surrounding communities. Hampden's numerous recreational areas, with facilities and trails, serve as a destination for family picnicking and recreation. Opportunities are being continually explored to expand and enhance this asset.</p>	\$360,000	30-A M.R.S.A. § 5225(1)(C)(6)
<p>15. <u>Costs associated with a new or expanded transit service</u>, limited to transit service capital costs, including but not limited to: transit vehicles such as buses, ferries, vans, rail conveyances and related equipment; bus shelters and other transit-related structures; and benches, signs and other transit-related infrastructure.</p>	\$240,000	30-A M.R.S.A. § 5225(1)(C)(7)(a)
<p>16. # <u>TIF revenues to be used as match for applicable State and Federal Economic Development Grant Programs</u> To be used for purposes identified as authorized project costs in 30-A M.R.S.A. § 5225.</p>	\$240,000	30-A M.R.S.A. § 5230
Total Municipal Investment Plan Costs:	\$12,000,000	

***/#** Projects identified with an asterisk (*) share funding with Dennis Paper & Foodservice TIF and with a hashtag (#) share funding with Coldbrook Road & Emera Maine Hampden TIF; both currently active TIF Districts in the Town of Hampden.

II. Development Program Narrative

A. The Development District

The District consists of real property and facilities within the identified boundaries and will exist for a total of thirty (30) years. The Development Program described herein will serve the purpose of administering the District as a Municipal Development and Tax Increment Financing District pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended (the “Development Program”). Subsequent to the Town Council vote designating the District and adopting the Development Program, the designation of the District and adoption of this Development Program will become effective on July 1, 2017, the July following approval by the Commissioner of the Maine Department of Economic and Community Development (“DECD”) and end on June 30, 2047. The District is more fully described below in this Development Program and is depicted on the maps attached as Exhibit A. The Town plans to capture one-hundred percent (100%) of the increased assessed value of taxable real property located within the District. The Town will use the property taxes paid on such captured real property value to fund a CEA with the Developer of the Project, any subsequent CEAs with Developers of property within the District boundaries and to fund municipal projects described in detail in Table 1 herein.

1. Physical Description

The District will encompass a total of 130 +/- acres of property with a Developer Tract and a Town Tract.

Developer Tract: The Developer Tract is a 53+/- acre collection of twenty parcels within the Hampden Business Park found on Town tax maps 10-B.

Town Tract: The Town Tract is a collection of parcels within the Hampden Business Park found on Town tax maps 10-B (77.3 acres). Maps of the proposed District are presented in Exhibit A-1, a Locational Map and A-2, which provides detail of individual sections of the District. Note that Lot 10-B-003 is explicitly excluded because at the time of this application that lot is designated as a separate TIF District.

2. Statutory Requirements and Thresholds

The Statutory Requirements and Thresholds form addressing the acreage and valuation conditions for approval mandated by 30-A M.R.S.A. § 5223(3) is set forth in Exhibit B.

3. Duration of the Program

The District will be designated for a total of thirty (30) years, becoming effective on July 1, 2017, the July following approval by the Commissioner of the Maine Department of Economic and Community Development (“DECD”) and ending on June 30, 2047.

4. Certification of Original Assessed Value

The Original Assessed Value (“OAV”) of the District was six million, nine hundred fifty-seven thousand, six hundred dollars (\$6,957,600) as of March 31, 2016, (April 1, 2015). The Assessor’s Certificate of Original Assessed Value is included as Exhibit C.

B. The Project

The Project, as described herein, consists of the construction of infrastructure improvements to the Project. The District is designed to finance infrastructure improvements put into place within the Hampden Business Park which will make 20 lots over 53+/- acres of new developable land available for investment. The Project is to be completed in two phases. The Developer has the option of completing either phase first.

The Town intends to use tax increment financing to support the Project by allocating certain tax revenues generated by future new development within the District to the Project. Under the Development Program, the Town will make a portion of the incremental tax revenues from real property investments within the Developer Tract of the District available to the Developer pursuant to a Credit Enhancement Agreement, which Agreement will be consistent with the allocation of incremental tax revenue as detailed below in the Financial Plan section of this document and reflected in Exhibit D-1 attached. These revenues will be used by the Developer to pay costs of the Project directly or to pay debt service on funds borrowed privately by the Developer to finance the cost of the Project. By means of a Credit Enhancement Agreement between the Town and the Developer, a portion of the TIF Revenue generated solely from the property taxes paid on the captured assessed value of certain real property improvements made within the Developer Tract of the District will be allocated to and used by the Developer to fund the Project and to pay the current and future debt service associated with the improvements. The TIF Revenues will provide financial assistance for the Project itself, making it a more viable endeavor for the Developer.

C. The Development Program

The Town’s designation of the District and adoption of this Development Program creates a single municipal TIF district in order to capture the value of the taxable real property improvements to be made within the District and enable the use of a portion of the TIF Revenues to assist the Developer through a Credit Enhancement Agreement. It will also permit

a portion of the TIF revenues be used to finance various municipal economic development projects as set forth in Table 1 above.

This Development Program will run for a term of 30 years and will capture one-hundred percent (100%) of the increased assessed taxable real property value of the District. The Town will retain the tax revenues generated by the captured assessed taxable real property value for designated economic development purposes.

The Town will enter into a Credit Enhancement Agreement with the Developer, which will allocate to the Developer fifty percent (50%) of the TIF Revenues generated from the captured assessed value resulting from site improvements and building investment on each lot within the Developer Tract beginning in the tax year of a “triggering event,” on that lot and lasting for a period up to ten years, as set forth below in Section IV—Financial Plan. The Developer will use such TIF Revenues to offset the cost of its investment in the Project, as more fully discussed in this Development Program. Any TIF Revenues not allocated to the Credit Enhancement Agreement will be retained by the Town to fund municipal economic projects as described in this document.

Through the Omnibus feature of this TIF District, the Town reserves the right to negotiate and execute one or more future credit enhancement agreements for up to the balance of the term of the District with up to one hundred percent (100%) reimbursement of the TIF Revenues to a developer or company making investments within the Town Tract of the TIF District within the Hampden Business Park. Approval of such future credit enhancement agreements is at the sole discretion of the Hampden Town Council.

The Town will retain any portion of the TIF Revenues not designated to a credit enhancement agreement for economic development programs and projects as discussed in Table 1 above. By adopting this Development Program, the Town will underscore Hampden’s commitment to business retention and growth, support its growing reputation as a desirable Service Center Community (as recognized by State of Maine Rule) in which to locate a business and accomplish the following goals:

- Increase future tax revenues generated from investment within the District;
- Enhance money available to the Town for economic development projects;
- Create long-term, stable employment opportunities for area residents; and
- Improve the overall economy of the region and the State of Maine.

In addition, by creating the District, the Town will “shelter” the increase in municipal valuation that development in the District will bring about. This tax shelter will mitigate the impacts that the District’s increased assessed property value would have on the Town’s share

of state aid to education, municipal revenue sharing and its county tax assessment. An estimate of the tax shelter benefit is shown as Exhibit D-2 attached hereto.

This Development Program is structured and proposed pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended. Subsequent to a public hearing and Town Council vote, adoption of this Development Program will be effective on July 1, 2017, the Town's fiscal year immediately following approval by DECD.

D. Operational Components

1. Public Facilities

Please refer to Table 1 for the various public infrastructure improvements that TIF Revenues will be eligible to support. The Town will be responsible for these improvements. The infrastructure being installed by the Developer within the Town Tract of the Business Park will ultimately be turned over to the Town as completed Town roadway and public sewer, and the water infrastructure will be turned over to the Hampden Water District as public water.

2. Commercial Improvements Financed Through Development Program

The Developer Project consists of planning, permitting and construction of infrastructure improvements to the Hampden Business Park and includes erosion control, installation and construction of roads, storm and sanitary infrastructure, water lines and landscaping. The estimated direct cost for this project is approximately \$3.5 million.

By means of an Omnibus structure, the Town will have the flexibility to negotiate and execute future credit enhancement agreements with a developer or owner/company of property within the Town Tract of the District. Such credit enhancement agreements will be executed at the sole discretion of the Town Council and may provide a reimbursement of up to one hundred percent (100%) of the TIF Revenue generated for a term not to exceed the balance of the District term remaining at the time of approval.

3. Relocation of Displaced Persons

Not applicable.

4. Transportation Improvements

Please refer to Table 1. The Town will fund road and traffic improvements within the District and/or outside the District that are made necessary by the investments within the District.

5. Environmental Controls

The improvements made under this Development Program will meet or exceed all federal, state and local environmental laws, regulations and ordinances and will comply with all applicable land use requirements for the Town.

6. Plan of Operation

Upon completion of the infrastructure development, the Developer will execute any documents necessary to convey title to the completed infrastructure (roadways) to the Town. From that point the roads will be accepted as Town roads and the Town will be responsible for maintenance. The Developer holds an option to buy on each of the individual lots within the Developer Tract. These lots are currently owned by the Town. The Developer may exercise that option according to the terms of the Development Agreement dated April 24, 2014 and the Option to Purchase Real Estate Agreement executed and recorded with the Penobscot County Registry of Deeds Book 14359 Pages 86-89.

During the term of the District, the Town Manager or his/her designee will be responsible for all matters related to the lots and open space areas of the Business Park and all administrative matters within the purview of the Town concerning implementation and operation of the District.

III. Financial Plan

A. Increased Assessed Values & Credit Enhancement Agreements

Estimates of the increased assessed value of the District property, TIF Revenues to be generated by the District, and credit enhancement projections are shown in Exhibit D-1.

The Development Program provides that the Town will “capture” one-hundred percent (100%) of the increased assessed value over the Original Assessed Value on taxable real property of the District beginning on the July 1st after the Commissioner of DECD approves this TIF District and Development Program. The TIF Revenues so collected will fund tax reimbursements to the Developer pursuant to a Credit Enhancement Agreement and/or contribute to the funding of the approved municipal projects as described on Table 1 hereof. At the end of the TIF term all taxable real property value captured in the District will be added to the general tax rolls.

A twenty-year period for tax reimbursements to the Developer will begin on July 1, 2018, the tax year subsequent to the Town’s acceptance of Phase 1 infrastructure (as depicted on Exhibit A of the Development Agreement). Actual reimbursements to the Developer will begin when a “triggering event” occurs within any lot of the Developer Tract of the District. The “Triggering Event” for each lot of the Developer Tract of the District means the first Tax Year when the Increased Assessed Value resulting from site improvements and building

development on that lot first equals at least five-hundred-thousand dollars (\$500,000). The allocation to the Developer will be fifty percent (50%) of the TIF Revenues generated from the captured assessed value resulting from site improvements and building investment on each lot within the Developer Tract. The Developer will continue receiving reimbursements for each lot for which a Triggering Event has occurred for ten years or until the Developer's twenty year period for tax reimbursements has expired. For purposes of calculating reimbursement to the Developer, only the incremental new taxes resulting from site improvements and building development on that lot will be used. Incremental new taxes resulting from increases in land value will accrue to the Town portion of TIF revenues.

Through the Omnibus feature of this TIF District, the Town reserves the right to negotiate and execute one or more future credit enhancement agreements for up to the balance of the term of the District with up to one hundred percent (100%) reimbursement of the TIF Revenues to a developer or company making investments within the Town Tract of the TIF District within the Hampden Business Park. Approval of such future credit enhancement agreements is at the sole discretion of the Hampden Town Council.

Any TIF revenues not committed to a credit enhancement agreement will be retained by the Town to fund municipal TIF project costs as outlined in Table 1.

Upon each payment of property taxes by the property taxpayers in the District, the Town will deposit into a development program fund (the "Development Program Fund") the entirety of the property tax payments constituting TIF Revenues. The Development Program Fund is pledged to and charged with the payment of the project costs in the manner provided in 30-A M.R.S.A. § 5227(3). The Development Program Fund consists of two segregated accounts, a sinking fund account ("Sinking Fund Account") and a project cost account (the "Project Cost Account"). The Town will deposit the TIF Revenues necessary to pay debt service on any bonds issued to pay for District improvements, if any, into the Sinking Fund Account. The money in this account is pledged to and charged with the payment of interest and principal on municipal indebtedness related to the improvements in the District. The Town will deposit any additional TIF Revenues into (a) a subaccount or subaccounts of the Project Cost Account to be used for credit enhancement payments to the Developer and (b) to a subaccount of the Project Cost Account for other approved municipal projects outlined in this Development Program and not financed with Town indebtedness. Additional dedicated Development Program subaccounts will be created with each Omnibus credit enhancement agreement approved by the Town Council.

The Town has agreed to enter into a Credit Enhancement Agreement with the Developer spanning a period of twenty (20) years with tax reimbursements for any given lot in the Developer Tract occurring for no more than ten years. Because of the number of lots in the Developer Tract there is no way to anticipate the value or timing of investment on the lots.

Therefore, estimates of the increased assessed values of the District and the anticipated TIF Revenues generated by the District are projected based on one lot with investment at the Triggering Event level. Exhibit D presents estimates of the increased assessed values, the anticipated TIF Revenues generated by the District, that portion of the TIF Revenues to be applied to the District each year, and the estimated tax shifts of investment of \$500,000 on just one lot of the Developer Tract of the Project.

B. Sources of Revenues

The Developer will finance the Project through private funds. The Developer will be responsible for making all arrangements for, and payments with respect to, any additional indebtedness incurred to fund the Project.

Town Public Improvements that are not part of the Project will be financed with municipal resources including TIF revenues. The Town will be responsible for making all arrangements for, and payments with respect to, any additional indebtedness incurred to fund the Public Improvements.

C. Public Indebtedness

The Town does not anticipate funding municipal project costs through public indebtedness. The Town, however, reserves the right to incur bonded indebtedness for approved projects in the future, provided that the timing and funding of any bonded projects complies with all statutory requirements for paying bonded indebtedness with TIF Revenues.

D. Original Assessed Value

Certification by the Town's Tax Assessor of the Original Assessed Value of the District is set forth in Exhibit C.

IV. Statutory Requirements and Thresholds

The Statutory Requirements and Threshold limits addressing the conditions for approval mandated by 30-A M.R.S.A. § 5223(3) are set forth in Exhibit B.

V. TIF Projections and Tax Shifts

In accordance with 30-A M.R.S.A. § 5224(4), the tables set forth in Exhibit D-1 and Exhibit D-2 show, based on one Developer Tract lot being fully developed, for each year of the term of the District: (1) estimates of the increased assessed values of the District; (2) the portion of increased assessed values to be applied to the Development Program as captured assessed values; (3) the resulting tax increments (i.e., the TIF Revenues); and (4) the estimated tax shifts that are expected to result from the designation of the District. There is no reliable way to project investment value or timing of full development of the District.

VI. Municipal Approvals

A. Notice of Public Hearing

Attached as Exhibit E is a copy of the Notice of Public Hearing regarding the establishment of the Hampden Business Park Omnibus Municipal Development and Tax Increment Financing District and adoption of this Development Program for the District, published in the Bangor Daily News, a newspaper of general circulation in the Town, on January XX, 2017, a date at least ten (10) days prior to the public hearing.

B. Minutes of Public Hearing Held by Town Council

Attached as Exhibit F is a certified copy of the minutes of the public hearing held on Date, 2017 at which time the proposed District and Development Program were discussed by the public.

C. Authorizing Votes

Attached as Exhibit G is a copy of the Hampden Town Council Resolution designating the District and adopting this Development Program, which Resolution was adopted by the Council at a meeting of the Council duly called and held on Date, 2017.

EXHIBIT A-1

TIF DISTRICT MAP SHOWING DISTRICT IN RELATION TO MUNICIPALITY BOUNDARIES

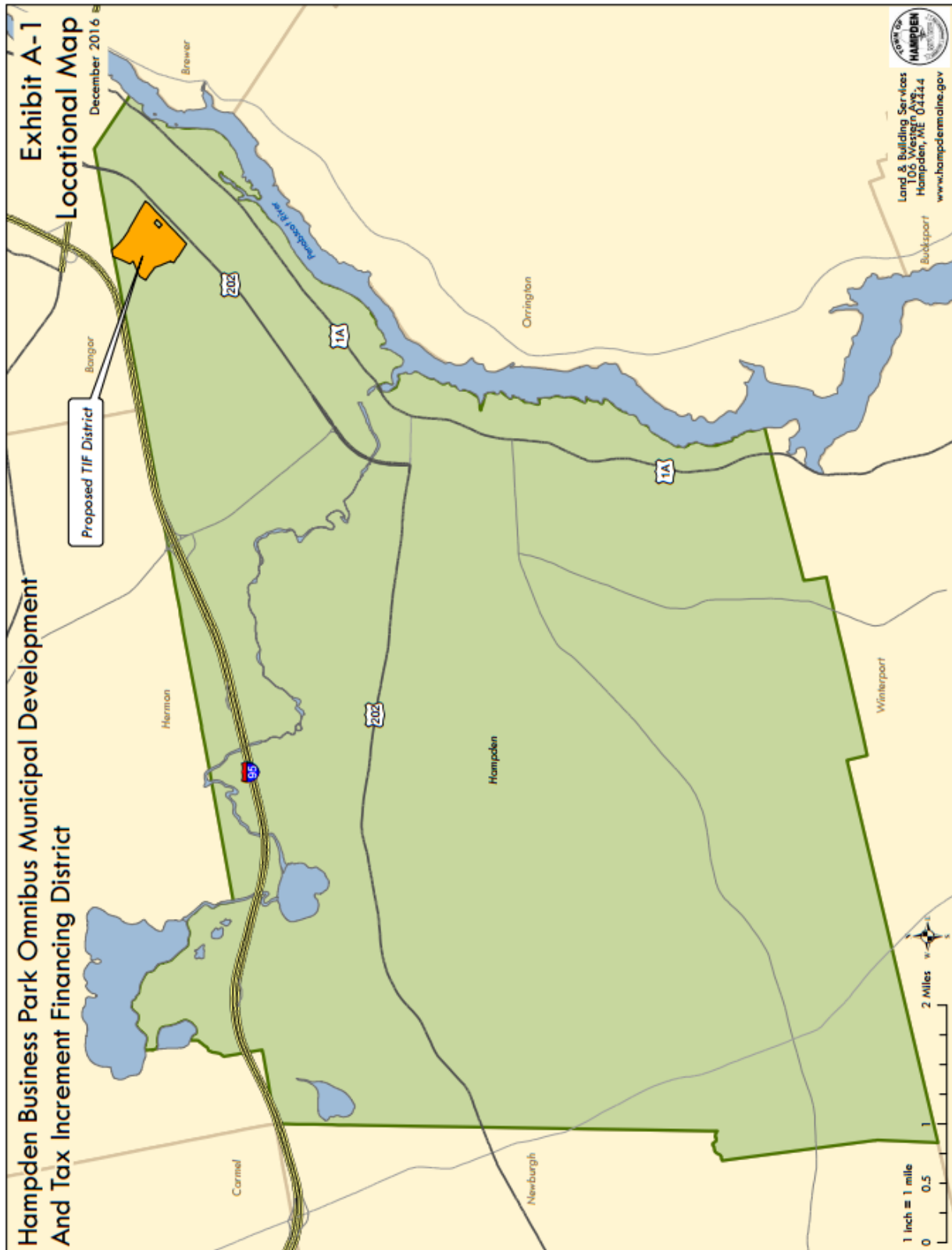




EXHIBIT B
STATUTORY REQUIREMENTS & THRESHOLDS

A. ACRE LIMITATION		
1. Total Acreage of Municipality		24,000
2. Total Acreage of Proposed Municipal TIF District		130.34
3. Total Downtown acres contained in the Proposed Municipal TIF District		-0-
4. Total Transit acres contained in the Proposed Municipal TIF District		-0-
5. Total acreage of Proposed Municipal TIF District counted towards 2% cap (A2-A3-A4)		130.34
6. Percentage of total acreage in proposed municipal TIF District (cannot exceed 2%) Divide A5 by A1		0.54%
7. Total acreage of all existing and proposed municipal TIF districts in the municipality. Add A2 to sum of all existing TIF district acreage. $(240.56-1.53+A.5.) *$		372.43
8. Total acreage of an existing or Proposed Downtown TIF District in the municipality.		0
9. Total acreage of all <u>existing</u> Pine Tree Development Zone TIF Districts in the municipality.		0
10. Total acreage of all existing or Proposed Transit TIF Districts in the municipality.		0
11. Total acreage of all existing and Proposed Municipal TIF Districts in the municipality counted toward 5% cap. Subtract A8+A9+A10 from A7.		372.43.
12. Percentage of total acreage in all existing and proposed Municipal TIF Districts (cannot exceed 5%) Divide A11 by A1.		1.55%
13. Total Acreage of all real property in the Proposed Municipal TIF District that is:		
(Note: a, b, or c must be at least 25%)		
	Acres	%
a. Blighted (Divide acres by	-	-
b. In need of rehabilitation/conservation (Divide acres by	-	-
c. Suitable for industrial/commercial site (Divide acres by	130.34	100%
TOTAL	130.34	100%
B. VALUATION LIMITATION		
1. Total Aggregate Value of Municipality (TAV) <i>Use most recent April 1st</i>		\$628,065,400
2. Original Assessed Value (OAV) of Proposed Municipal TIF District. <i>Use March 31st of tax year preceding date of municipal designation</i>		6,957,600
3. Total OAV of all existing and Proposed Municipal TIF Districts in the municipality. <i>Add b2 to sum of all existing TIF district OAVs $(3,132,100 - 84,200 + B.2.) *$</i>		10,005,500
4. OAV of an existing or proposed Downtown TIF District in the municipality.		0
5. OAV of all <u>existing</u> Pine Tree Development Zone TIF Districts in the municipality.		0
6. OAV of all existing or Proposed Transit TIF Districts in the municipality.		0
7. Total OAV of all existing and Proposed Municipal TIF Districts in the municipality counted toward 5% cap. Subtract B4+B5+B6 from B3		10,005,500
8. Percentage of total OAV to TAV in all existing and Proposed Municipal TIF Districts (cannot exceed 5%). Divide B7 by B1		1.59%

*Total from Coldbrook Road/Emera TIF, less Hampden Properties TIF, plus proposed

ASSESSOR'S CERTIFICATE OF ORIGINAL ASSESSED VALUE

TOWN OF HAMPDEN

HAMPDEN BUSINESS PARK OMNIBUS MUNICIPAL DEVELOPMENT & TAX INCREMENT FINANCING DISTRICT

ASSESSOR'S CERTIFICATE

The undersigned Tax Assessor for the Town of Hampden, Maine, does hereby certify pursuant to the provisions of 30-A M.R.S.A. §5254 that the taxable assessed value of taxable real property in the Hampden Business Park Omnibus Municipal Development and Tax Increment Financing District, as delineated on a map included in the Development Program to which this Certificate is included, was \$ 6,957,600 as of March 31, 2016, (April 1, 2015).

As of the Original Assessed Value date, there was [redacted] personal property which is exempt from taxation pursuant to the business equipment tax exemption within the Hampden Business Park Omnibus Municipal Development and Tax Increment Financing District.

IN WITNESS WHEREOF, This Certificate has been executed as of this XXth day of Month, 201x.

TOWN ASSESSOR

By: _____

Original Assessed Value for Individual Tax Map Lots

Tax Map and Lot Number	Acreage	Original Assessed Value as of March 31, 2016 (April 1, 2015)
Town Tract		
10-B-001	1.2	\$794,000
10-B-002	1.2	\$0
10-B-004	4.75	\$0
10-B-005	1.52	\$562,000
10-B-006	1.47	\$0
10-B-007	1.63	\$1,366,000
10-B-008	1.88	\$0
10-B-009	1.55	\$0
10-B-010	2.8	\$0
10-B-011	1.96	\$984,000
10-B-012	1.72	\$95,000
10-B-013	1.75	\$96,000

Hampden Business Park Omnibus TIF Development Program

10-B-014	1.53	\$761,600
10-B-015	2.3	\$740,000
10-B-016	2.03	\$679,000
10-B-018	1.53	\$880,000
10-B-038	33.28	\$0
Roads	13.15	\$0
Total Town Tract	77.25	\$ 6,957,600
Developer Tract		\$0.00
10-B-017	2.3	\$0.00
10-B-019	1.57	\$0.00
10-B-020	1.51	\$0.00
10-B-021	2.08	\$0.00
10-B-022	3.06	\$0.00
10-B-023	1.41	\$0.00
10-B-024	4.62	\$0.00
10-B-025	1.33	\$0.00
10-B-026	2	\$0.00
10-B-027	1.5	\$0.00
10-B-028	2.53	\$0.00
10-B-029	1.95	\$0.00
10-B-030	2.42	\$0.00
10-B-031	2.14	\$0.00
10-B-032	2.08	\$0.00
10-B-033	4.49	\$0.00
10-B-034	5.93	\$0.00
10-B-035	4.16	\$0.00
10-B-036	2.65	\$0.00
10-B-037	3.36	
Total Developer Tract	53.09	\$ -0-
Total:	130.34	\$ 6,957,600

EXHIBIT D-1

INCREASED ASSESSED VALUE AND TIF REVENUE PROJECTIONS

EXHIBIT D-1

TOWN OF HAMPDEN
HAMPDEN BUSINESS PARK OMNIBUS TIF DISTRICT

Fiscal Year 7/1-6/31	Projected Cumulative Investment	Increased Assessed Value	Percent Value Captured	Projected Captured Assessed Value	Mil Rate	Gross New Taxes	Taxes on Captured Assessed Value	% TIF Rev to Company	TIF Revenues to Company	TIF Revenues to Town
1 2017-2018	\$ 500,000									
2 2018-2019	\$ 500,000	\$500,000	100%	\$ 500,000	18.20	\$ 9,100	\$ 9,100	50.0%	\$ 4,550	\$ 4,550
3 2019-2020	\$ 500,000	\$500,000	100%	\$ 500,000	18.20	\$ 9,100	\$ 9,100	50.0%	\$ 4,550	\$ 4,550
4 2020-2021	\$ 500,000	\$500,000	100%	\$ 500,000	18.20	\$ 9,100	\$ 9,100	50.0%	\$ 4,550	\$ 4,550
5 2021-2022	\$ 500,000	\$500,000	100%	\$ 500,000	18.20	\$ 9,100	\$ 9,100	50.0%	\$ 4,550	\$ 4,550
6 2022-2023	\$ 500,000	\$500,000	100%	\$ 500,000	18.20	\$ 9,100	\$ 9,100	50.0%	\$ 4,550	\$ 4,550
7 2023-2024	\$ 500,000	\$500,000	100%	\$ 500,000	18.20	\$ 9,100	\$ 9,100	50.0%	\$ 4,550	\$ 4,550
8 2024-2025	\$ 500,000	\$500,000	100%	\$ 500,000	18.20	\$ 9,100	\$ 9,100	50.0%	\$ 4,550	\$ 4,550
9 2025-2026	\$ 500,000	\$500,000	100%	\$ 500,000	18.20	\$ 9,100	\$ 9,100	50.0%	\$ 4,550	\$ 4,550
10 2026-2027	\$ 500,000	\$500,000	100%	\$ 500,000	18.20	\$ 9,100	\$ 9,100	50.0%	\$ 4,550	\$ 4,550
11 2027-2028	\$ 500,000	\$500,000	100%	\$ 500,000	18.20	\$ 9,100	\$ 9,100	0.0%	\$ -	\$ 9,100
12 2028-2029	\$ 500,000	\$500,000	100%	\$ 500,000	18.20	\$ 9,100	\$ 9,100	0.0%	\$ -	\$ 9,100
13 2029-2030	\$ 500,000	\$500,000	100%	\$ 500,000	18.20	\$ 9,100	\$ 9,100	0.0%	\$ -	\$ 9,100
14 2030-2031	\$ 500,000	\$500,000	100%	\$ 500,000	18.20	\$ 9,100	\$ 9,100	0.0%	\$ -	\$ 9,100
15 2031-2032	\$ 500,000	\$500,000	100%	\$ 500,000	18.20	\$ 9,100	\$ 9,100	0.0%	\$ -	\$ 9,100
16 2032-2033	\$ 500,000	\$500,000	100%	\$ 500,000	18.20	\$ 9,100	\$ 9,100	0.0%	\$ -	\$ 9,100
17 2033-2034	\$ 500,000	\$500,000	100%	\$ 500,000	18.20	\$ 9,100	\$ 9,100	0.0%	\$ -	\$ 9,100
18 2034-2035	\$ 500,000	\$500,000	100%	\$ 500,000	18.20	\$ 9,100	\$ 9,100	0.0%	\$ -	\$ 9,100
19 2035-2036	\$ 500,000	\$500,000	100%	\$ 500,000	18.20	\$ 9,100	\$ 9,100	0.0%	\$ -	\$ 9,100
20 2036-2037	\$ 500,000	\$500,000	100%	\$ 500,000	18.20	\$ 9,100	\$ 9,100	0.0%	\$ -	\$ 9,100
21 2037-2038	\$ 500,000	\$500,000	100%	\$ 500,000	18.20	\$ 9,100	\$ 9,100	0.0%	\$ -	\$ 9,100
22 2038-2039	\$ 500,000	\$500,000	100%	\$ 500,000	18.20	\$ 9,100	\$ 9,100	0.0%	\$ -	\$ 9,100
23 2039-2040	\$ 500,000	\$500,000	100%	\$ 500,000	18.20	\$ 9,100	\$ 9,100	0.0%	\$ -	\$ 9,100
24 2040-2041	\$ 500,000	\$500,000	100%	\$ 500,000	18.20	\$ 9,100	\$ 9,100	0.0%	\$ -	\$ 9,100
25 2041-2042	\$ 500,000	\$500,000	100%	\$ 500,000	18.20	\$ 9,100	\$ 9,100	0.0%	\$ -	\$ 9,100
26 2042-2043	\$ 500,000	\$500,000	100%	\$ 500,000	18.20	\$ 9,100	\$ 9,100	0.0%	\$ -	\$ 9,100
27 2043-2044	\$ 500,000	\$500,000	100%	\$ 500,000	18.20	\$ 9,100	\$ 9,100	0.0%	\$ -	\$ 9,100
28 2044-2045	\$ 500,000	\$500,000	100%	\$ 500,000	18.20	\$ 9,100	\$ 9,100	0.0%	\$ -	\$ 9,100
29 2045-2046	\$ 500,000	\$500,000	100%	\$ 500,000	18.20	\$ 9,100	\$ 9,100	0.0%	\$ -	\$ 9,100
30 2046-2047	\$ 500,000	\$500,000	100%	\$ 500,000	18.20	\$ 9,100	\$ 9,100	0.0%	\$ -	\$ 9,100
31 2047-2048										
32 2048-2049										
33 2049-2050										
Cumulative Avg. Annual		\$500,000		\$500,000		\$ 273,000	\$ 273,000		\$ 45,500	\$ 227,500
						\$9,100	\$9,100		\$1,517	\$7,583

Years 31 through 33 shown for tax shift purposes only.

EXHIBIT D-2
TAX SHIFT PROJECTIONS

TOWN OF HAMPDEN
HAMPDEN BUSINESS PARK OMNIBUS TIF DISTRICT

EXHIBIT D-2

		State/County Projected Tax Shift			
		EPS Education Shift	Revenue Sharing Shift	County Tax Shift	Total Tax Shift
1	2017-2018	\$ -	\$ -	\$ -	\$ -
2	2018-2019	\$ -	\$ -	\$ -	\$ -
3	2019-2020	\$ 1,383	\$ 417	\$ 519	\$ 2,319
4	2020-2021	\$ 2,767	\$ 417	\$ 532	\$ 3,716
5	2021-2022	\$ 4,150	\$ 417	\$ 546	\$ 5,114
6	2022-2023	\$ 4,150	\$ 417	\$ 560	\$ 5,128
7	2023-2024	\$ 4,150	\$ 417	\$ 575	\$ 5,142
8	2024-2025	\$ 4,150	\$ 417	\$ 590	\$ 5,157
9	2025-2026	\$ 4,150	\$ 417	\$ 605	\$ 5,172
10	2026-2027	\$ 4,150	\$ 417	\$ 621	\$ 5,188
11	2027-2028	\$ 4,150	\$ 417	\$ 637	\$ 5,204
12	2028-2029	\$ 4,150	\$ 417	\$ 653	\$ 5,221
13	2029-2030	\$ 4,150	\$ 417	\$ 670	\$ 5,237
14	2030-2031	\$ 4,150	\$ 417	\$ 687	\$ 5,255
15	2031-2032	\$ 4,150	\$ 417	\$ 705	\$ 5,273
16	2032-2033	\$ 4,150	\$ 417	\$ 723	\$ 5,291
17	2033-2034	\$ 4,150	\$ 417	\$ 742	\$ 5,310
18	2034-2035	\$ 4,150	\$ 417	\$ 761	\$ 5,329
19	2035-2036	\$ 4,150	\$ 417	\$ 781	\$ 5,348
20	2036-2037	\$ 4,150	\$ 417	\$ 801	\$ 5,369
21	2037-2038	\$ 4,150	\$ 417	\$ 822	\$ 5,389
22	2038-2039	\$ 4,150	\$ 417	\$ 843	\$ 5,411
23	2039-2040	\$ 4,150	\$ 417	\$ 865	\$ 5,432
24	2040-2041	\$ 4,150	\$ 417	\$ 887	\$ 5,455
25	2041-2042	\$ 4,150	\$ 417	\$ 910	\$ 5,478
26	2042-2043	\$ 4,150	\$ 417	\$ 934	\$ 5,501
27	2043-2044	\$ 4,150	\$ 417	\$ 958	\$ 5,526
28	2044-2045	\$ 4,150	\$ 417	\$ 983	\$ 5,550
29	2045-2046	\$ 4,150	\$ 417	\$ 1,008	\$ 5,576
30	2046-2047	\$ 4,150	\$ 417	\$ 1,034	\$ 5,602
31	2047-2048	\$ 4,150	\$ 417	\$ 1,061	\$ 5,629
32	2048-2049	\$ 4,150	\$ 417	\$ 1,089	\$ 5,656
33	2049-2050	\$ 4,150			\$ 4,150
Cumulative		\$ 120,350	\$ 12,524	\$ 23,102	\$ 155,976
Avg. Annual		\$ 3,882	\$ 417	\$ 770	\$ 5,199

Years 31 through 33 shown for tax shift purposes only.

EXHIBIT E
NOTICE OF PUBLIC HEARING

**NOTICE OF PUBLIC HEARING
TOWN OF HAMPDEN MAINE
Regarding**

**A Municipal Tax Increment Financing Development Program for the District Known as the
“Hampden Business Park Omnibus Municipal Development and Tax Increment Financing
District”**

Notice is hereby given that the Hampden Town Council will hold a public hearing on

**February 6, 2017
at the
Council Chambers, Hampden, Maine,
The Public Hearing will be at 7:00 p.m.**

The purpose of the public hearing is to receive public comments on the designation of the proposed Hampden Business Park Omnibus Municipal Development and Tax Increment Financing District (the “District”), the Development Program and Financial Plan for said District, and a proposed credit enhancement agreement with the Developer, Sargent Corporation, all pursuant to the provisions of Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended. The proposed Municipal Development and Tax Increment Financing District consists of approximately 130 acres of property located on Route 202, known as the Hampden Business Park and identified on Town Tax Map Map 10-B, Lots 001, 002, and 004-038; including the roads contained therein.

All interested persons are invited to attend the public hearing and will be given an opportunity to be heard at that time. Verbal and written comments received prior to the close of the public hearing will be included in the public hearing record.

EXHIBIT F
MINUTES OF PUBLIC HEARING AND TOWN COUNCIL MEETING

EXHIBIT G
TOWN COUNCIL RESOLUTION

**HAMPDEN TOWN COUNCIL
ORDER #_____**

WHEREAS, the Town of Hampden, Maine (the “Town”) is authorized pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes as amended (the “Act”), to designate a specified area within the Town as the Hampden Business Park Omnibus Municipal Development and Tax Increment Financing District (the “District”) and to adopt a development program (the “Development Program”) for the District pursuant to the Act; and

WHEREAS, there is a need for economic development in the Town, in the surrounding region, and in the State of Maine; and

WHEREAS, there is a need to improve and broaden the tax base of the Town; and

WHEREAS, designation of the District and adoption of the Development Program will help to improve and broaden the tax base in the Town and improve the economy of the Town and the region by attracting business development to the District; and

WHEREAS, there is a need to implement continued economic development initiatives in the planned District through the establishment of the District in accordance with the provisions of Act; and

WHEREAS, the Town desires to designate the District and adopt the Development Program; and

WHEREAS, it is expected that approval will be obtained from the State of Maine Department of Economic and Community Development (the “Department”), approving the designation of the District and adoption of the Development Program.

ORDERED AS FOLLOWS:

Section 1. The Town Council of the Town of Hampden Maine, as the legislative body of said Town pursuant to Article II, section 205 of the Hampden Town Charter, hereby designates the Hampden Business Park Omnibus Municipal Development and Tax Increment Financing District and hereby adopts the Development Program for said District; such designation and adoption to be pursuant to the following findings, terms, and provisions:

Section 2. The Town Council hereby finds and determines that:

a. At least twenty-five percent (25%), by area, of the real property within the District, as hereinafter designated, is suitable for commercial uses; and

b. The total area of the District does not exceed two percent (2%) of the total acreage of the Town, and the total area of all development districts within the Town (including the proposed District) does not exceed five percent (5%) of the total acreage of the Town; and

c. The original assessed value of all existing and proposed tax increment financing districts (including the proposed District) does not exceed five percent (5%) of the total value of equalized taxable property within the Town as of April 1, 2015 (March 31, 2016); and

d. The designation of the District and adoption of the related Development Program will make a contribution to the economic growth and well being of the Town and the surrounding region, and will contribute to the betterment of the health, welfare and safety of the inhabitants of the Town, including a broadened and improved tax base and economic stimulus, and therefore constitutes a good and valid public purpose. The Town has considered all evidence, if any, presented to them with regard to any adverse economic effect on or detriment to any existing business and has found and determined that such adverse economic effect on or detriment to any existing business, if any, is outweighed by the contribution expected to be made through the District and the Development Program.

Section 3. The Town Manager, or his duly appointed representative, is hereby authorized, empowered and directed to submit the proposed designation of the District and the proposed Development Program for the District to the Department for review and approval pursuant to the requirements of 30-A M.R.S.A. § 5226.

Section 4. The Town Manager, or his appointed representative, is hereby authorized and directed to enter into the Credit Enhancement Agreement contemplated by the Development Program with Sargent Corporation, SSR II, LLC and SSR, LLC, in the name of and on behalf of the Town, such agreement to be in such form and to contain such terms and provisions, not inconsistent with the Development Program, as the said Town Manager or his duly-appointed representative, may approve, his approval to be conclusively evidenced by his execution thereof.

Section 5. The foregoing designation of the District and approval of the Development Program shall automatically become final upon receipt by the Town of approval of the designation of the District and adoption of the Development Program by the Department, without requirement of further action by the Town, the Town or any other party, and shall take effect in accordance with Title 30-A M.R.S. section 5224(2)(H) for the tax year subsequent to the Department's approval, beginning July 1, 2017.

Section 6. The Town Manager or his duly appointed representative is hereby authorized and empowered, at his discretion, from time to time, to make such revisions to the Development Program as the Town Manager, or his duly appointed representative, deems reasonably necessary or convenient in order to facilitate the process for review and approval of the District and/or the Development Program by the Department, or for any other reason, so long as such revisions are not inconsistent with these resolutions or the basic structure and intent of the District and the Development Program.

Dated: February 6, 2017.

TOWN OF HAMPDEN, MAINE

(By) _____
David I. Ryder, Mayor

Ivan P. McPike, Deputy Mayor

Mark S. Cormier, Councilor

Dennis R. Marble, Councilor

Terry McAvoy, Councilor

Gregory J. Sirois, Councilor

Stephen L. Wilde, Councilor